

Dick Lugar

U.S. Senator for Indiana

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Opening Statement for Nomination Hearing for Robert Hormats

U.S. Senate Foreign Relations Committee Republican leader Dick Lugar made the following statement at today's hearing:

I am pleased to welcome Robert Hormats to the Senate Foreign Relations Committee as the Administration's nominee for the post of Under Secretary of State for Economic, Energy, and Agricultural Affairs. His previous public service includes posts at the State Department, the Office of the U.S. Trade Representative, and the National Security Council.

The portfolio of the Under Secretary is quite diverse. He serves as a principal adviser to the Secretary of State on matters of economic, energy, business, and agriculture policy. All of these issues are currently at the forefront of national and international discourse.

U.S. strategic objectives in the world are unlikely to be realized if progress is not made on the policy issues that Mr. Hormats would oversee. On issues of agricultural productivity, global food security, trade, economic revitalization, and energy security, the United States should be leading the world. We need to expand trade relationships, improve the performance of the multi-lateral development banks, bolster international agricultural cooperation, and promote energy security.

Energy security in particular is a critical factor affecting nearly all of today's foreign policy challenges. Every nation, large and small, needs secure and reliable sources of energy. Too often in recent history, energy exporting countries have been tempted to use their supplies as a political tool. This can lead to coercion, and in extreme cases, even conflict, and can directly affect our economic, political and security interests. The overdependence on imported energy by the United States, and by many of our friends and allies, constrains our diplomatic options on a wide range of foreign policy goals – from preventing weapons proliferation to defeating terrorism to promoting international development.

This Committee has spent much time examining the threats associated with U.S. dependence on foreign energy sources. Even as we work to transform our domestic energy portfolio, constant diplomatic attention to energy security at the highest levels of our government is vital to bolstering U.S. national security. I encourage you to have energy security at the top of your own agenda, seeking to foster cooperation in both traditional and new ways of producing and consuming energy, and speaking plainly to those countries that seek to use their energy resources for coercion. I am encouraged that the State Department position of International Energy Coordinator has been filled and I hope that close collaboration between you and Mr. Goldwyn will strengthen our energy diplomacy.

A related issue is extractive industry transparency. In a Committee minority staff report last year entitled "The Petroleum and Poverty Paradox," my staff outlined clear measures that the Administration could take to better support transparency that will promote growth and good government in developing countries. I encourage this Administration to review these recommendations. I am preparing to introduce legislation based on that report with bipartisan co-sponsors, and I hope the Administration will lend its support to the bill.

Last year's confluence of high energy prices and global economic downturn resulted in a sharp increase in global food prices that drove more than 100 million people into poverty. While those prices have declined in the United States, severe problems persist that limit the availability and access to food staples in many parts of the developing world. I applaud the Administration's efforts to develop a whole-of-government global food security initiative under Secretary Clinton's leadership. The initiative tracks very closely with the Global Food Security Act introduced by myself and Senator Casey, and it reflects many of the recommendations of a Committee staff study that was released earlier this year.

The rules of international trade will also be critical in these efforts. I urge the Administration to work towards the successful completion of the Doha Development Round of trade talks and the expansion of U.S. trade relationships in general.

Lastly, let me mention the need for reform at multilateral institutions. In the wake of the global financial crisis, it is more important than ever to press for changes and improved efficiency at the International Monetary Fund, the World Bank, and the regional development banks. These institutions provide important assistance to developing countries, but we must have the confidence that they manage resources effectively, efficiently, and transparently.

I look forward to hearing from Mr. Hormats on these important issues.

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